



FEMA

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# DISASTER NEWS

## FEMA URGES RESIDENTS TO BEWARE OF SCAM ARTISTS

**INDIANAPOLIS** — State and federal disaster officials warn that every disaster has its share of con artists trying to take advantage of disaster victims, so residents of Lake and Vanderburgh counties should be careful who they let into their homes or hire to make repairs.

“We are urging residents affected by flooding to be alert and report potential fraud as they cleanup after the flooding and during rebuilding efforts,” said Larry Sommers, federal coordinating officer in Indiana for the Federal Emergency Management Agency (FEMA). “We want to see anyone who tries to take advantage of the circumstances following a disaster prosecuted to the fullest extent of the law.”

While no specific cases have been reported, if applicants’ homes were damaged by recent storms and flooding, some people may show up at the door and recommend that residents make expensive or unnecessary repairs. Others may offer to process disaster applications for a fee. Residents should know that federal or state disaster inspectors do not recommend repairs and NEVER charge a fee for any inspection of a home. If someone appears at the door claiming to be a FEMA or federal disaster official, residents should ask for photo identification.

**Those who suspect anyone – a contractor, inspector, disaster victim or someone posing as any of these – of committing fraudulent activities should make a report to their local law enforcement office. They may also call the FEMA Fraud Hotline at 1-800-323-8603. Individuals reporting suspicious activity do not have to give their names.**

“We are working hard to ensure those who suffered as a result of the September 12 - 14 flooding receive the assistance they need,” said Eric Dietz, state coordinating officer and executive director of IDHS. “Hoosiers should remain vigilant and report questionable contractor activities so that victims of the flooding do not become victims of fraud.”

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IDHS and FEMA officials urge individuals to use care when hiring contractors:

***Do research on contractors.*** Contact your local building inspector's office for information on local contractors. You may also check with the local Better Business Bureau, homebuilders' association, trade council, or the Attorney General's Consumer Protection Hotline (800-382-5516) to see if the contracting firm has any unanswered complaints against it. Be suspicious of anyone who offers to increase the amount of your disaster damage assessment. Call former customers who had similar work done to see if they were satisfied with the job.

***Ask for proof of insurance.*** If a contractor is uninsured, you may be liable for accidents on the property. Make sure the contractor has both disability and workers' compensation insurance.

***Get it in writing.*** Ask for a written estimate, and check to make sure it includes all the work you expect to have done, as well as taxes and other fees. Keep in mind that some contractors charge for an estimate. Indiana law requires that all contracts involving more than \$150 in payment be confirmed in writing. Once you decide to use a particular contractor, ask that the written contract include all tasks to be performed as well as associated costs, a timeline and payment schedule and who is responsible for applying for necessary permits and licenses. **Never sign a blank contract.** Canceling a contract should be done within three business days of signing.

***Get permits.*** Make sure the contract clearly states who will obtain the necessary permits. Have a lawyer review the contract if substantial costs are involved. Keep a copy of the signed contract.

***Ask for a written guarantee.*** It should state what is guaranteed, who is responsible and how long the guarantee is valid.

***Do not make advance payment in cash.*** Pay by check in order to keep a record and to avoid double charges. Legitimate contractors normally do not require more than one-third of the total charges as a down payment.

***Make final payments only when work is completed.*** Do not sign completion papers or make the final payment until the work is completed satisfactorily. A reputable contractor will not threaten you or pressure a resident to sign if the job is not finished properly.

FEMA manages federal response and recovery efforts following any national incident. FEMA also initiates mitigation activities, works with state and local emergency managers, and manages the National Flood Insurance Program. FEMA became part of the U.S. Department of Homeland Security on March 1, 2003.